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SUBJECT: FDP AND WESTERWELLE CAN ALMOST TASTE POWER AFTER  
ELEVEN YEARS AT POLITICAL SEA

Classified By: MINISTER-COUNSELOR FOR POLITICAL AFFAIRS JEFF RATHKE FOR  
REASONS 1.4 (B) AND (D)

11. (C) SUMMARY: The liberal Free Democratic (FDP) Party overwhelmingly re-elected Guido Westerwelle as party chair during its May 15-17 party convention on a platform aimed to return the FDP to power after eleven years in the opposition. In his speech, Westerwelle appealed to the middle class with calls for income tax reductions and raised the specter of a left-oriented government after the September 27 parliamentary elections, which could threaten the affluence of the shrinking German middle class. The FDP kept its coalition options open, although the preferred future coalition partner remains the Christian Democrats (CDU) and its Bavarian sister party the Christian Social Union (CSU). If the FDP returns to power, Westerwelle could bring the FDP back from political obscurity and become the foreign minister (or perhaps the "super" minister of a combined economics/finance ministry) in a future CDU/CSU-FDP government. The FDP enjoys growing confidence in itself and Westerwelle. But without a return to power this time, it is Westerwelle who may be history.  
END SUMMARY.

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IS WESTERWELLE THE TRUE CHAMPION OF THE MIDDLE CLASS?  
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12. (C) Not surprisingly, Westerwelle -- who has been accused of running a one-man show -- was re-elected with a resounding 95.8 percent of FDP delegates at the party's annual convention held in Hannover. "We want to rule," he declared, making it clear that he intends for his pro-business party to return to government as a junior coalition partner after an 11-year absence. In a combative 90-minute speech, Westerwelle reaffirmed his party's promises to cut taxes if elected. "Tax cuts will help the economy more than subsidizing one sector after another," he said. "We should relieve the burden on the middle class. That is the best answer to the downturn."

13. (C) Westerwelle also criticized Chancellor Merkel's strategies for addressing the economic crisis, saying that his party remained firmly opposed to the nationalization of companies and state aid awarded to certain large firms. "If a big company goes bust, the German eagle (the state symbol) flies in. If a small company goes bust, the bankruptcy vultures arrive," Westerwelle said. The FDP reinforced its campaign highlighting the value of civil liberties and raising awareness about possible government infringements on fundamental rights such as freedom of speech and the right to privacy. It also stressed the need for transparency in government law-making.

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FOREIGN POLICY AND ARMS CONTROL: PLAYING ON U.S. ANGLE  
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14. (C) Westerwelle's speech was bereft of any concrete details about the party's foreign and security platform.

Frank Schuster, a FDP Caucus Advisor on foreign and security affairs, told Poloff that Westerwelle wanted to concentrate on domestic political themes in his speech since he had recently given a major foreign policy speech at the German Council on Foreign Relations (DGAP) on May 4 and an interview on foreign policy with Der Spiegel published the same day. FDP figures emphasize that they see the party as a proponent of strong German-U.S. bilateral relations, where NATO remains the principal security and transatlantic anchor. Conventional and nuclear arms control, in particular the removal of tactical nuclear weapons from Germany, will play a central theme in the FDP's electoral campaign. With regard to bilateral relations, FDP Secretary-General Dirk Niebel earned great applause by criticizing U.S. anti-terrorism measures at ports and on airplanes as intrusive data privacy violations.

15. (C) In a short debate on Afghanistan, FDP parliamentarian and foreign policy expert, Birgit Homburger, argued that "in a time when President Obama is adopting a new Afghanistan strategy it would be a mistake to incorporate statements critical of the United States into the party's electoral platform."

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FDP COALITION ROULETTE  
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16. (C) The FDP stands at a critical crossroads in its party history. Forced into opposition in 1998, the party -- under Westerwelle's leadership -- is desperate for power and keen to keep its coalition options open. Some speculate

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Westerwelle could be ousted as party chief if the FDP does not enter government. It is for this reason that Westerwelle is keeping his coalition options open. The party base loathes the current "Grand" coalition and, if possible, wants to prevent a red-red-green coalition (SPD, Left Party, Greens majority). The FDP prefers a coalition with the CDU/CSU but at the moment the CDU/CSU and FDP teeter on having the numbers to form a majority coalition. Currently, the FDP is polling at 13-15 percent whereas the CDU is polling at 34-36 percent.

17. (C) While the FDP can afford to vilify the Left Party (now static at 10 percent), it cannot alienate the SPD and Greens since a coalition with these parties may be its only avenue to guarantee the party's participation in a SPD-FDP-Greens coalition. Indeed, SPD Foreign Minister and Chancellor-candidate Frank-Walter Steinmeier immediately hailed Westerwelle for not excluding this coalition option. Peter Struck, the chairman of the SPD's parliamentary faction, told the Welt am Sonntag that the FDP would have to enter a coalition with the SPD and the Greens if it wanted to win a majority in the general elections. In an interview with the FAZ, FDP SecGen Niebel opined that the FDP would voice its preference for a coalition partner one week before the parliamentary elections on September 27, 2009.

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COMMENT  
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18. (C) The FDP's performance at the party convention reflects the party's growing confidence not only in itself but also in Westerwelle. While his domestic credentials have matured over the FDP's eleven years in the opposition, his level of understanding of foreign policy matters appears to be not as developed. His speech at the DGAP was disappointing; his command of complex foreign issues, for example, regarding the Middle East and Iran were not convincing. While Westerwelle will concentrate primarily on domestic issues in the run-up to the elections, party aides tell us that he will seek to enhance his knowledge of foreign policy issues with several overseas trips, including to the

United States and with more foreign policy op-eds and speeches. (Note: Charge will meet with Westerwelle in mid-June to discuss his U.S. trip. End note.) Westerwelle has as good a chance as anyone to become foreign minister in the next government. Building the USG relationship with him -- and sending clear signals about U.S. expectations -- is an important investment now, however frustrating Westerwelle's views on individual issues may be. As Westerwelle seeks to transform himself from party leader to foreign minister or even "super" minister of a combined economics/finance ministry in a possible CDU/CSU-FDP government, Post will continue to report on Westerwelle and his quest for political power. End comment.  
Koenig